Structural Barriers to Building Wealth in Today’s Housing System

Prepared by NCRC Research
Homeownership Rates from 1870-2035

- Red line: White
- Green line: Black
Spot the Structural Barrier!
Title: Insecure
Source: Mic, used with permission

@MicMedia on Facebook

https://www.facebook.com/MicMedia/videos/1644358292253621/
• Household income at the 20\textsuperscript{th}, 40\textsuperscript{th}, 60\textsuperscript{th}, 80\textsuperscript{th}, and 95\textsuperscript{th} percentiles
• We ignore the top 5\% to avoid distorting the data.
• White Non-Hispanic and Black Households Only (data too poor for others going back this far)
• Home Prices per Case Shiller Index
• Years covered 1972 – 2016
• All amounts are in 2016 Dollars
Household Income by Race and Percentile

- **White 95th**
- **Black 95th**
- **Home Prices**

- **White 80th**
- **Black 80th**

- **White 60th**
- **Black 60th**

- **White 40th**
- **Black 40th**

- **White 20th**
- **Black 20th**


Income Range: $250,000 to $0
GRADES
- A = "Best"
- B = "Still Desirable"
- C = "Definitely Declining"
- D = "Hazardous"

The Home Owners Loan Corporation identified neighborhoods by four categories/colors. Best-green being of the highest value and the most desirable to lenders through hazardous-red for the least desirable. This "redlining" had an impact that persists through today with 74% of "hazardous" communities remaining low-to-moderate income (LMI). This indicates that these communities have a median family income of 80% or less of the area average income.

<table>
<thead>
<tr>
<th>Grades/Income</th>
<th>LMI</th>
<th>MUI</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Best</td>
<td>0.06%</td>
<td>99.94%</td>
</tr>
<tr>
<td>B Desirable</td>
<td>51.85%</td>
<td>48.15%</td>
</tr>
<tr>
<td>C Declining</td>
<td>92.27%</td>
<td>7.73%</td>
</tr>
<tr>
<td>D Hazardous</td>
<td>93.53%</td>
<td>6.47%</td>
</tr>
</tbody>
</table>

The HOLC maps have a strong association with the race and ethnicity of the community as well. The "hazardous" rating of communities was often given due to the large proportions of minorities who lived there. Today, the areas categorized as "hazardous" in the 1930's and 40's are majority-minority 64% of the time, showing the persistence of segregation in these areas.

<table>
<thead>
<tr>
<th>Grades/Minority</th>
<th>White</th>
<th>Minority</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Best</td>
<td>100.00%</td>
<td>0.00%</td>
</tr>
<tr>
<td>B Desirable</td>
<td>98.22%</td>
<td>1.78%</td>
</tr>
<tr>
<td>C Declining</td>
<td>97.69%</td>
<td>2.31%</td>
</tr>
<tr>
<td>D Hazardous</td>
<td>53.86%</td>
<td>46.14%</td>
</tr>
</tbody>
</table>
Title: Redlining
Source: YouTube
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https://youtu.be/UmMs8eQP4T0
Thank you

All members receive support from NCRC Research
Ask your regional organizer for details